(c) whether in order to achieve this target the support of State Governments and private enterprises will be obtained; and

(d) if so, the details thereof?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANTA JENA): (a) to (d) The Department of Tourism has prepared a draft Strategy Paper for the development of tourism which is to be examined by the Government. The Strategy Paper has projected an investment of Rs. 31350 crores jointly by the Central Government, State Governments and the private sector with a view to increase foreign exchange earnings and direct employment in the tourism sector.

Revamping of Insurance Sector

2387. SHRI GHUFRAN AZAM:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 1624 given in the Rajya Sabha on 30th July, 1996 and state:

(a) whether Government propose to revamp the insurance sector in the country; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The interim Insurance Regulatory Authority which was set up by the Government as a first step towards reforms in the insurance sector, has been entrusted, subject to the overall directions and guidelines of the Government, with the task of dealing with all matters relating to promotion and orderly growth of the insurance market and propose comprehensive legislation for this purpose.

Partial Privatisation of Life Insurance Sector

2388. SHRI SHIV CHARAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are moving towards partial privatisation of life insurance sector in India;

(b) if so, details of the steps taken in this direction?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Under the existing law, insurance business, both life and general, is the exclusive privilege of Life Insurance Corporation of India (LIC); General Insurance Corporation of India (GIC); and its four subsidiaries. The Common Minimum Programme (CMP) of the Government envisages restructuring the insurance industry in the light of the experience gained in the working of the banking sector. The interim Insurance Regulatory Authority (IRA) set up by the Government, has been entrusted with the task of proposing comprehensive legislation relating to promotion and orderly growth of insurance market subject to the overall directions and guidelines of the Government.

Profitability of Indian Airlines

2389. DR. D. VENKATESHWAR RAO: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether country's national carrier, Indian Airlines which incurred loss of Rs. 685 crores is expected to make an operating profit;

(b) if so, whether granting of fourteen A-320 aircraft and merger of Vayudoot with the Indian Airlines resulted in an accumulated loss of Rs. 685 crores;

(c) if so, the extent the profits earned during the financial year;

(d) whether efforts will be made by Air India to improve further its profits in the next two years; and

(e) if so, what steps are being taken in this regard?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) Yes, Sir.

(b) The grounding of A-320 aircraft and merger of Vayudoot has accounted for a loss of Rs. 197 crores and Rs. 50 crores respectively;

(c) Indian Airlines is expected to incur a Net Loss of Rs. 134.25 crores and operating profit of Rs. 114.35 crores during the financial year 1995-96.

(d) and (e) Steps have been taken by Air India to improve its product, image and on time